



"Comfort of Home, Dedication to Care"

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TESTIMONY BEFORE THE APPROPRIATIONS COMMITTEE
REGARDING GOVERNOR MALLOY'S STATE BUDGET PROPOSAL
DEPARTMENT OF SOCIAL SERVICES BUDGET FOR HOME CARE SERVICES

March 4, 2011

Good evening Senator Harp, Representative Walker and members of the Appropriations Committee. My name is Todd Rose and I am President/CEO of the non-profit home health agency Visiting Nurse & Health Services of Connecticut (VNHSC) in Vernon, CT serving the frail, chronically ill and elderly in north central and northeastern Connecticut.

VNHSC has been in business for 95 years and was named a "Home Care Elite Agency" for four consecutive years, a distinction based on federal CMS data and reserved for those agencies that provide superior and cost-efficient patient care outcomes.

Despite our longevity, our agency, like most Connecticut home care providers, is extremely fragile and we are concerned about our future survival. We are sensitive to the fiscal condition of our state, the needs of its residents, and the decisions the Governor and legislature need to make in a challenging economy.

However, I am extremely concerned with the Department of Social Services (DSS) Medicaid budget and pending financial crisis facing Connecticut's home health care industry.

CT home care agencies are currently being reimbursed under state Medicaid at 70 cents on the dollar – a loss on every patient served. Our agency, along with approximately 60 other licensed and certified agency members of the CT Association for Home Care and Hospice believe that the current system of reimbursement for home care is unsustainable and is a threat to the safety net that the residents of this state rely. It is threatening the very survival of Connecticut's home care infrastructure – particularly those serving higher populations of Medicaid residents – in Connecticut's inner cities.



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Home care is the most cost-effective and patient-preferred setting for care, however, it will not exist unless the state invests in its stability, viability and future by reimbursing agencies their cost of doing business.

The only way that our home care agencies have been able to continue to keep our doors open, employees paid, and services intact, is by shifting the small margin that we make on Medicare reimbursement to cover the shortfall. However, the federal government has just cut Medicare reimbursement to home care by an additional 5-7 percent across the board on Jan. 1, 2011.

This cut has virtually eliminated CT home care agency's ability to make up for the 30% underfunding by state Medicaid under DSS.

We support Governor Malloy's philosophy of rebalancing and moving more patients from long term institutional care to home and community-based settings, however, additional volume of Medicaid patients at a 30% loss on each patient is unsustainable for home care providers.

We are open to the new proposed managed care ASO Medicaid model, and want to be part of the discussion to ensure that this new system of funding will achieve the Governor's goals of saving state health care costs, but need to be assured that the savings achieved are reinvested in sustaining home care's viability and future.

A study commissioned by the Connecticut Regional Institute for the 21st Century concluded that on average, Connecticut Medicaid dollars can support more than two older people and adults with physical disabilities in a home and community-based setting for every (one) person in an institutional setting. With adequate funding levels our home care providers can grow and care for a greater number of patients in the setting they prefer most – their home.

We can achieve the financial goals that the Governor wishes to achieve, creating thousands of health care jobs, and provide services to the frail and elderly at a fraction of the cost of institutional care.

I thank you for your consideration and urge the legislature to invest in stabilizing our home health care industry by enacting sensible Medicaid managed care reform. The investment would be offset by the 5,000 Medicaid patients currently in nursing homes proposed for transition to the community under the Money Follows the Person initiative.